

Public Service Commission of Wisconsin

Rebecca Cameron Valcq, Chairperson Ellen Nowak, Commissioner Tyler Huebner, Commissioner 4822 Madison Yards Way P.O. Box 7854 Madison, WI 53707-7854

5-CE-153

September 15, 2021

Re: Joint Application of Wisconsin Public Service Corporation

and Wisconsin Electric Power Company, for Authority to Construct the Weston Reciprocating Internal Combustion

Engine Project in the Villages of Rothschild and Kronenwetter, Marathon County, Wisconsin

To the Person Addressed:

Wisconsin Public Service Corporation (WPSC) and Wisconsin Electric Power Company (together - Applicants) filed an application with the Public Service Commission of Wisconsin (Commission) on April 16, 2021, seeking permission to construct a new natural gas-fueled electric generation facility. (PSC REF#: 409552). The proposed project is known as the Weston Reciprocating Internal Combustion Engine (RICE) Project. The proposed project would be located at the existing Weston Generating Station on land owned by WPSC, located in the Villages of Rothschild and Kronenwetter near Wausau, Wisconsin. The project would use seven RICE units, similar to the engine in a car, but at a much larger scale, to generate up to 128 megawatts (MW) of energy. The project is anticipated to cost approximately \$171.4 million.

This is a Type II action under Wis. Admin. Code § PSC 4.10(2). It requires the preparation of an environmental assessment (EA) to determine if an environmental impact statement (EIS) is necessary under Wis. Stat. § 1.11. Commission staff from the Division of Digital Access, Consumer and Environmental Affairs completed an environmental review of the proposed project and prepared an EA in consultation with the Department of Natural Resources (DNR) to determine if an EIS is necessary. A notification of the Commission's intent to prepare an EA, including a solicitation for comments on the environmental aspects of this project, was mailed to landowners, local and regional media, affected municipal entities, the regional planning commission, and area legislators in the project area on June 9, 2021. (PSC REF#: 413390)

Based on the EA, a preliminary determination indicates that the construction and operation of this proposed project may have some temporary and long-term impacts, but no significant impacts on the quality of the human or natural environment are likely to occur. Strategies to avoid or mitigate temporary and long-term impacts are available or required by permit and would be implemented if the project is authorized. Therefore, preparation of an EIS is not required.

Telephone: (608) 266-5481 Fax: (608) 266-3957

Home Page: http://psc.wi.gov
E-mail: pscrees@wisconsin.gov

To the Person Addressed Docket 5-CE-153 Page 2

Comments regarding this determination can be directed to the contact person listed at the end of this letter.

The remainder of this letter describes some of the anticipated impacts of constructing this project and summarizes the conclusions of the EA. To obtain a copy of the EA, please request a copy from the contact person listed at the end of this letter.

Proposed Project

The proposed project would construct and operate a power plant using RICE technology fueled by natural gas. There would be seven Wärtsilä RICE units connected to generators, which are able to be quickly turned on or off, or operated independently of each other. A reciprocating internal combustion engine operates much like the engine found in an automobile, but on a much larger scale for those considered for the Weston RICE project. The engines would be housed in a newly constructed engine hall, with ancillary equipment and project facilities located in newly constructed adjacent smaller buildings. The facilities would be constructed on approximately five acres of the existing Weston Generating Station property, where existing infrastructure such as the coal-fired power plants, a railroad spur, and substations are already located. Two potential locations were presented by the Applicants, a Proposed (Applicant-preferred) site located west of the railroad spur in the center of the Weston property, and an Alternative site located on the southern part of the Weston property.

The project would have a closed-loop cooling system for the engines, and no new well is proposed for the project. The units operate without generating steam, and no steam plume is anticipated during project operation. There would be radiators and exhaust stacks located outside the engine hall. The exhaust stacks would be approximately 65 feet tall and are not tall enough to anticipate needing lighting for aviation safety. Natural gas and water supply pipelines would be constructed on the Weston Generating Station property, as would a new 115 kilovolt electric tie-line, either 0.5 or 1.0 miles in length depending on the RICE site selected.

Potential Impacts

All project facilities would be constructed on land that is currently zoned as industrial use and is part of the larger Weston Generating Station property. No impacts to natural habitats, endangered or historic resources, or wetlands or waterways are anticipated to occur from project construction. Appropriate erosion and storm water control measures would be put in place and maintained to prevent any sediment or storm water entering the Wisconsin River, located west of the two potential project areas.

The Alternative RICE location would be closer to residences located to the southeast of the Weston Generating Station property. The nearest residence to the Proposed RICE location is approximately 1,800 feet east of the area across Old Highway 51 or 2,000 feet west across the Wisconsin River. The nearest residences to the Alternative RICE location are approximately 820 feet to the southeast and 1,300 feet to the south. The Applicants provided noise modeling that

To the Person Addressed Docket 5-CE-153 Page 3

predicts anticipated noise levels at nearby residences once the project is operational. There would be larger noise impacts and potentially visual impacts to residents near the Alternative location if it is used, as opposed to the Proposed RICE location. The Alternative RICE location would require longer lengths of pipeline and electric tie-line construction, but all of these impacts would occur on the Weston Generating Station property.

Air emissions from the operation of the natural gas-fueled power plant would primarily include nitrogen oxides, carbon monoxide, particulate matter of varying sizes, volatile organic compounds, and greenhouse gases such as carbon dioxide. The project is subject to air permitting requirements from the DNR and the U.S. Environmental Protection Agency. The power plant would include several technologies and design features to reduce emissions of air pollutants. The technologies and design features would be the same regardless of the power plant site alternative. Emissions of federal criteria pollutants, hazardous air pollutants, greenhouse gases, and construction dust or emissions would be controlled under a DNR air pollution construction permit. DNR staff are still reviewing the air permit information, but have contributed information on the proposed project, anticipated emissions, and control plans to the EA in this docket.

The Applicants are avoiding impacts to wetlands and waterways, and there are no anticipated need for wetland permits from DNR. No significant impacts to wildlife are anticipated from project construction or operation, as all work would be done in previously disturbed areas of the existing power plant property.

Conclusion

The project as proposed in the application and subsequent filings, including use of the stated construction methods, implementation of the mitigation plans, and conditions imposed by permit requirements, is not expected to cause any significant environmental effects, regardless of the specific RICE site selected. The use of best management practices and impact mitigation strategies by the Applicants could limit some of the long-term adverse effects on natural resources. The direct and indirect environmental effects of the proposed project should not have a significant environmental effect on the human environment. Thus, preparation of an EIS, as described in Wis. Stat. § 1.11, is not required for this project.

Copies of the EA are available upon request, either in electronic or paper format (for a paper copy, an address must be provided). Requests for a copy of the EA should be made to Adam Ingwell at the Public Service Commission of Wisconsin by telephone at (608) 267-9197, by email at adam.ingwell@wisconsin.gov or by regular mail directed to the Public Service Commission, P.O. Box 7854, Madison, Wisconsin 53707-7854.

Comments on the finding of no significant impact for this proposed project should be made to Adam Ingwell at the address above, by email at adam.ingwell@wisconsin.gov, or via the Commission's website at http://psc.wi.gov, where you can go to the "e-services" tab toward the

To the Person Addressed Docket 5-CE-153 Page 4

top of the webpage, then click "file a comment" on the left hand side of the page, then locate docket 5-CE-153. All comments must be received by **Friday, October 1, 2021**.

Sincerely,

Adam Ingwell

Abon Saywell

Environmental Affairs Coordinator – Supervisor Division of Digital Access, Consumer and Environmental Affairs

AI:STS:kle DL:01826753